

April 30, 2014

The Honorable John Boehner
Speaker of the House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Democratic Leader of the House of Representatives
Washington, DC 20515

Dear Speaker Boehner and Democratic Leader Pelosi:

We are writing to you on behalf of a broad array of American businesses, including representatives from the manufacturing, agriculture and energy sectors that represent some of the nation's largest customers of freight rail service. We depend on safe, reliable, and cost-effective rail transportation to deliver our products, which are essential to consumers and serve as the foundation of the U.S. economy. We believe it is time to review key aspects of rail policy to ensure that the U.S. is on course to meet the needs of rail carriers, shippers, and the public.

Today we are experiencing a renaissance in American industry that is bringing investment and jobs back to our country. In order to fully realize the benefits of this much needed boost to our economy, we must be sure that there are freight rail policies in place that will help us capitalize on growth opportunities.

The first goal for our national rail network must be assuring the safe transportation of our products. Along with our rail partners, we invest billions of dollars in safety improvements, including upgrades to new and existing rail cars, making us a significant stakeholder in the nation's rail infrastructure. We are unequivocally committed to safety improvement, and stand ready to continue our efforts to further enhance the safety of our nation's railroads.

Additionally, we urge Congress to move forward with much needed policy reforms to address the vast transformation that has occurred throughout the rail industry. Since the passage of the Staggers Rail Act of 1980, freight traffic has nearly doubled, investment in rail infrastructure has increased, and the economic strength of railroads has greatly improved. At the same time, the rail industry has consolidated, reducing the number of Class I railroads from 26 to seven, with only four dominating the market. With these dramatic changes in the rail sector, it is appropriate to reexamine and modernize our regulatory framework to meet present and future needs.

Our organizations support the adoption of policies to promote greater competition between railroads and to improve the efficiency and effectiveness of the Surface Transportation Board (STB). Increasing competition among railroads would help ensure that commodities, including grain, coal, fertilizer, steel, and manufactured goods, can be shipped efficiently to both domestic and international markets.

Unfortunately, most shippers lack access to competitive rail service. As a result, railroad rates have surged over the last decade, rising nearly three times as fast as inflation and trucking rates. A shipper who lacks competitive service has little recourse in the face of skyrocketing rates. Challenging a rate before the STB is extremely expensive and complex, and it is especially burdensome to small businesses. While the STB has adopted some incremental improvements, congressional action is needed now to further promote economic vitality and growth for both freight railroads and their customers across the nation.

We look forward to working with Congress to advance our common goals in ensuring rail policy is updated and balanced to ensure future growth and prosperity.

Sincerely,

Agricultural Retailers Association
Alliance for Rail Competition
American Chemistry Council
American Forest & Paper Association
American Public Power Association
Arkansas Electric Cooperative Corporation
Arkema, Inc.
BadgerCURE
Celanese
Chlorine Institute
Consumers United for Rail Equity (CURE)
Dairyland Power Cooperative
The Dow Chemical Company
DuPont
Edison Electric Institute
The Fertilizer Institute
Growth Energy
Lincoln Electric System
Missouri River Energy Services
National Association of Chemical Distributors
National Industrial Transportation League
National Rural Electric Cooperative Association
Nucor Corporation
SPI: The Plastics Industry Trade Association
Steel Manufacturers Association
The Vinyl Institute
Wisconsin Electric Cooperative Association

cc: The Honorable Harry Reid
The Honorable Addison McConnell
The Honorable John Rockefeller, IV
The Honorable John Thune
The Honorable Richard Blumenthal
The Honorable Roy Blunt
The Honorable William Shuster
The Honorable Nick Rahall, II
The Honorable Jeff Denham
The Honorable Corrine Brown